



# Highland Health and Social Care Partnership

**Health and Care (Staffing) (Scotland) Act 2019**

**2025-2026 Annual Report**

Commissioned Adult Social Care Services

## Health and Care (Staffing) (Scotland) Act 2019: Annual Report

Under section 3(2) of the [Health and Care \(Staffing\) \(Scotland\) Act 2019](#) (“the Act”), every local authority and integration authority must have regard to a number of listed factors when planning or securing the provision of a care service from a third party:

- the guiding principles in the Act (section 1 of the Act);
- the requirement on care service providers to have regard to the guiding principles (section 3(1) of the Act);
- the duty on care service providers to ensure appropriate staffing (section 7 of the Act);
- the requirement on care service providers with regard to training of staff (section 8 of the Act);
- the requirement on care service providers to have regard to guidance issued by the Scottish Ministers (section 10 of the Act);
- the duties on care service providers under [Chapter 3 of Part 5 of the Public Services Reform \(Scotland\) Act 2010](#), for example with regard to registration of care services; and
- the duties on care service providers under Chapter 3A of Part 5 of the Public Services Reform (Scotland) Act 2010, for example with regard to the use of any prescribed staffing methods or staffing tools. Note that the [Health and Care \(Staffing\) \(Scotland\) Act 2019](#) inserted chapter 3A into the Public Services Reform (Scotland) Act.

Section 3(6) of the Act states that relevant organisations must publish information annually on the steps they have taken to comply with the requirement in section 3(2) regarding the planning and securing of care services and any ongoing risks that may affect their ability to comply with this requirement.

This template should be used by local authorities and integration authorities to publish the information required and should be read in conjunction with the statutory guidance that accompanies the Act, specifically chapter 15.

The information in this template should relate to the financial year, i.e. 01 April to 31 March. All reports must be published by 30 June at the latest each year.

In order to collate the information published, the Scottish Government also requests that you send the completed template to [hcsa@gov.scot](mailto:hcsa@gov.scot).

## Declaration

### Name of local authority / integration authority:

Highland Health and Social Care Partnership

### Report authorised by:

*Arlene Johnstone*

*Chief Officer*

*25 June 2026*

**Please mark all relevant boxes to show which services have been taken account in this report:**

<input checked="" type="checkbox"/>	Support services
<input checked="" type="checkbox"/>	Care home services
<input type="checkbox"/>	School care accommodation services
<input type="checkbox"/>	Nurse agencies
<input type="checkbox"/>	Child care agencies
<input type="checkbox"/>	Secure accommodation services
<input type="checkbox"/>	Offender accommodation services
<input type="checkbox"/>	Adoption services
<input type="checkbox"/>	Fostering services
<input type="checkbox"/>	Adult placement services
<input type="checkbox"/>	Child minding
<input type="checkbox"/>	Day care of children
<input checked="" type="checkbox"/>	Housing support service

Details of where the report will be published: [Highland HSCP publications | NHS Highland](#)

## Information Required

1. Please detail the steps you have taken as an organisation to comply with section 3(2) of the Health and Care (Staffing) (Scotland) Act 2019:  
*3(2) In planning or securing the provision of a care service from another person under a contract, agreement or other arrangements, every local authority and every integration authority (within the meaning of section 59 of the Public Bodies (Joint Working) (Scotland) Act 2014) must have regard to—*
  - (a) the guiding principles for health and care staffing, and*
  - (b) the duties relating to staffing imposed on persons who provide care services—*
    - (i) by virtue of subsection (1) and sections 7 to 10, and*
    - (ii) by virtue of Chapters 3 and 3A of Part 5 of the Public Services Reform (Scotland) Act 2010.*

## Context

The Highland lead agency governance structure is unique in Scotland, with lead responsibility for adult social care functions delegated to NHS Highland and lead responsibility for children's and criminal justice services with The Highland Council.

As such, NHS Highland is the legal entity responsible for delivering adult social care, including the associated statutory duties under the Health and Care (Staffing) (Scotland) Act 2019 (the Act). This annual report covers adult social care services commissioned by NHS Highland, on behalf of the Highland Health and Social Care Partnership, for the financial year 2025-26.

The Commissioning, Contracts and Compliance Team within NHS Highland supports the commissioning and procurement of adult social care services.

## Scope

During 2025-2026, NHS Highland was responsible for planning and securing a range of adult care services as defined under Section 47(1) of the Public Services Reform (Scotland) Act 2010.

Those services commissioned by NHS Highland supported a range of adult client groups - older people, learning disability, mental health, sensory impairment and physical disability. The registered services commissioned from third party organisations (as at 31 March 2026) were as noted:

- 48 care home services across 46 care homes
- 17 care at home services across 15 providers

- 28 support services across 25 providers
- 16 housing support services
- 10 day care services

All of these services are regulated by the Care Inspectorate and fall within the scope of statutory duties under the Health and Care (Staffing) (Scotland) Act 2019.

## **Steps Taken to Comply with Requirements**

### Adult Social Care Contracts

The majority of NHS Highland's contractual arrangements are originally drawn from the National Care Home Contract (NCHC).

We believe that the NCHC aligns with the guiding principles of the Act, but can be strengthened by providing additional clarity in respect of contractual compliance requirements. The NCHC does not make reference to the Act and Scotland Excel had in previous years advised that the staffing-related clauses within the NCHC do not require updating. We understand that Scotland Excel is now in the process of updating the NCHC to reflect the Act and other legislation / policy, and is expected to issue a new contract with updated terms and conditions in the 2026-27 financial year.

NHS Highland had previously updated its Model Contract for non-residential services to make reference to the Act and include some general changes to clarify compliance with the Act, however, we intend to do this more holistically in line with the NCHC once the updated contract is received from Scotland Excel.

The majority of NHS Highland's commissioned adult social care contracts are based on established frameworks or model contract arrangements, with standardised terms and conditions applied according to the relevant service category, such as support, housing support, care at home and care home services.

### New Contracts / Services

Over the course of 2025-26, NHS Highland planned and / or secured the following new registered care services:

- 5 new support services;
- 1 new housing support service; and
- 1 new care home service.

NHS Highland's pre-award due diligence process considers a range of factors, including the service delivery model and ability to achieve outcomes; Care Inspectorate grades and inspection reports, as well as any previous enforcement action or upheld complaints; previous commissioned experience; workforce capacity, management, staffing, and training; quality assurance arrangements; financial viability and provider stability; wider market impact; and overall risk.

Of the new support and housing support contracts awarded in 2025-26, the majority were from established providers already delivering in Highland and therefore a light-touch process was used to secure the services. Where providers were new to Highland, more rigorous due diligence was undertaken.

In advance of contract award for the non-residential services in 2025-26, we held supportive discussions with the providers to understand how they were intending to deliver the service; how the service was going to be managed, staffed, and what training requirements were needed for the service; and how the service was to remain viable. In collaboration with providers, we capped service delivery to a specified number of hours and / or geographic location for a specified period of time to support services to grow at a steady pace. We also arranged routine quarterly contract review meetings to discuss service delivery, understand any challenges, amend our commissioning targets (where required), and provide additional supports, as required.

One of the non-residential services was for a high level complex package and contract award followed a competitive process from within the existing framework. This process included more rigorous due diligence, with a requirement for interested providers to submit and present a formal presentation, which was evaluated through robust evaluation criteria. Providers were assessed against the stated requirements, including implementation and start up plan, commitment to person-centred support, staffing (skills, training, expertise), and the like.

In advance of contract award for the new residential service in 2025-26, we held a number of discussions with the provider, specifically with regards to their start up and phasing plan, focusing on phased admissions, assured staffing levels, deployment of staff, and staff levels that match the number and dependency of residents. This was an existing and experienced provider of care home services in Highland, and as such, had robust policies and procedures in place in areas such as staffing, recruitment, training, care planning, and quality assurance, which they have been able to demonstrate in practice. Contract award was conditional on an agreed phasing plan, and several "stop point" meetings were held in the 6 months following contract award to review admissions, occupancy, recruitment and training matters, and establish an operational relationship with the care home and manager. As part of this, we also collaboratively reviewed concerns raised by the provider with regards to referral pathways and hospital discharges, with a view of supporting the provision of safe and high-quality services and best care outcomes for residents.

### Existing Contracts

Whilst there is no requirement under the Act for NHS Highland to assess services planned or secured prior to 1 April 2024, we give consideration to the requirements on an ongoing basis and in advance of agreements being renewed. This is partly undertaken through our contract monitoring processes.

The market turbulence in Highland over the past few years (multiple care home and care at home exits) has redirected resource from previous planned and formal contract monitoring, in order to support sector and provider stability. We are currently finalising our revised contract monitoring processes, with a view of relaunching a new and structured process in the coming

months. However, there has remained ongoing key areas of monitoring activity along with staffing-specific activity as noted:

- Attendance at Care Inspectorate feedback meetings. This is an important area of monitoring which is helpful in understanding not only providers' compliance with the Act, but also in highlighting areas of risk and where support may be required.
- Sector and individual provider dialogue, including on sector and individual staffing duties and staffing challenges.
- Monitoring through review meetings and assurance and improvement systems.
- Escalation oversight of significant staffing considerations via established governance quality mechanisms.
- Compliance monitoring of Scottish Living Wage.

These requirements are monitored throughout the operation of the contract and are central to our oversight and service improvement discussions.

### Forward Focus

NHS Highland is implementing a new procurement process for all existing and prospective new commissioned providers of registered care. The Public Contracts Scotland (PCS) process, was first implemented in 2025–26 through the publication of a contract notice inviting new providers to contract with NHS Highland for Adult Social Care Services through completion of a Single Procurement Document (SPD). This was intended to promote a consistent approach and ensure appropriate registrations for all third parties wishing to contract with NHS Highland. The PCS process is due to be re-issued for 2026-27, with a view of supporting NHS Highland's compliance with the Act by strengthening assurance of provider capability through a structured due diligence and scrutiny process. Advertising via PCS ensures transparent access and consistent vetting of providers which will complement internal assessment, and ensures only safe, compliant providers are commissioned, supported by ongoing oversight and risk-based commissioning measures.

NHS Highland intends to review a number of contracts in 2026-2027, prioritising those longest operating arrangements in place and the opportunity will be taken to ensure the duties of the Act are satisfactorily clear.

The Highland Health and Social Care's Commissioning Strategy and Intentions and also its Market Facilitation Plan have been drafted and are due to be published in 2026-2027. As part of their development, and in describing the stages of the commissioning cycle, the new practices required of the Act have specifically been referenced.

Internal arrangements will further be considered and developed to assist and facilitate oversight and reporting of this area to readily provide assurance of compliance for statutory reporting.

**2. Please detail any ongoing risks that may affect your ability to comply with the duty set out in section 3(2).**

There are a number of local and national risks which have and are expected to continue to affect our ability to comply with the above duty. These are noted as follows:

- **Wider third party sector workforce, staffing and financial pressures**

There has been, and continues to be, a fragile adult social care market in Highland. Workforce recruitment and retention remain central to that fragility and are intensified by the area's remote and rural geography, dispersed population, travel requirements, limited local workforce supply, and wider housing pressures.

In practical terms, some commissioned services in Highland operate with very small staff teams and may be exposed to significant instability if only one or two members of staff leave, particularly where there is limited local workforce capacity to backfill posts at short notice.

Providers have reported that management time is increasingly absorbed by recruitment, induction, and rota cover. Where managers are required to spend a substantial proportion of their time on recruitment activity, this can reduce the time available for quality assurance, audit, supervision, learning and improvement activity. This creates a direct risk to the provider's ability to evidence compliance with safe staffing duties under the Act, even where the provider is taking reasonable and proactive steps to sustain the service.

The workforce pool in Highland is small and is further constrained by the availability and affordability of housing, transport limitations and competition with other sectors and statutory services.

For a number of years, some providers have relied on international recruitment and sponsorship to help maintain staffing levels. However, this route is administratively complex, costly and dependent on suitable accommodation and support for international staff to settle, understand the local care context and remain in post.

UK immigration policy changes affecting Health and Care Worker and Skilled Worker routes, including restrictions on international recruitment of care workers and senior care workers and increased skills and salary thresholds, have reduced the certainty and availability of this workforce route. Smaller and more rural providers are therefore disproportionately impacted where local recruitment options are limited.

Financial and policy pressures compound these workforce challenges. Changes to employer costs, including National Insurance and Statutory Sick Pay, together with wage pressures arising from Real Living Wage and Fair Work First expectations, can narrow provider operating margins. While fair pay and fair work are essential to recruitment, retention and workforce wellbeing, the associated cost pressures can be difficult for commissioned providers to absorb where funding, occupancy, demand and staffing requirements are all changing. Pressures within NHS Highland's Adult Social Care

budget, combined with increasing demand and complexity, therefore create a continuing risk to the ability to secure sufficient, stable and sustainable commissioned provision.

To mitigate these risks, NHS Highland continues to maintain dialogue and oversight arrangements with commissioned providers experiencing staffing challenges and has taken practical steps to support local resilience. This includes support from the Collaborative Care Home Support Team, the Community Response Team, targeted individual or service-specific training such as stress and distress training, and a dedicated Care Home Career and Attraction Lead for the independent sector, hosted by Scottish Care and funded by the Partnership.

These measures do not remove the underlying workforce risk, but they provide a structured means of supporting providers, identifying emerging instability, promoting recruitment and retention activity, and maintaining a focus on safe, high-quality and person-centred care.

- **Diversity of services**

The range of different care services mean it is challenging to easily collate the requirements of the Act for oversight and reporting. There remains variation in how the staffing related duties under the Act are reflected in commissioning services and monitoring compliance. Going forward, work is progressing to identify opportunities to improve contract monitoring processes and other oversight actions.

- **Timely review, monitoring and updating of contracts**

This is resource dependent and has been impacted by redirection of effort to support local market instability.

- **Collation of information in relation to SDS option 2**

Available information for SDS option 2 providers is limited compared to SDS option 3 providers and requires to be reviewed.